United Nations

# Report of the Ad Hoc Committee on Jurisdictional Immunities of States and Their Property

**4-15 February 2002**

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**Fifty-seventh Session**
**Supplement No. 22 (A/57/22)**

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*Note*

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# Chapter I
## Introduction

1. The Ad Hoc Committee on Jurisdictional Immunities of States and Their Property, established by the General Assembly in its resolution 55/150 of 12 December 2000, was convened in accordance with paragraph 1 of Assembly resolution 56/78 of 12 December 2001. The Ad Hoc Committee met at Headquarters from 4 to 13 February 2002. The Committee made good progress and worked efficiently, and completed its work ahead of the scheduled date of 15 February.

2. In accordance with paragraph 3 of General Assembly resolution 55/150, the Ad Hoc Committee was open to all States Members of the United Nations and to States members of the specialized agencies.

3. On behalf of the Secretary-General, the Legal Counsel of the United Nations, Hans Corell, opened the session of the Ad Hoc Committee.

4. At its 1st plenary meeting, on 4 February, the Ad Hoc Committee elected the members of its Bureau, as follows:

*Chairman*:
Gerhard Hafner (Austria)

*Vice-Chairpersons*:
Karim Medrek (Morocco)
Piotr Ogonowski (Poland)
Narinder Singh (India)

*Rapporteur*:
Guillermo Reyes (Colombia)

5. The Director of the Codification Division of the Office of Legal Affairs, Václav Mikulka, acted as Secretary of the Ad Hoc Committee. The Deputy Director of the Division, Mahnoush H. Arsanjani, acted as Deputy Secretary of the Ad Hoc Committee and Secretary to its Working Group. The Codification Division provided the substantive services for the Ad Hoc Committee and its Working Group.

6. Also at its 1st plenary meeting, the Ad Hoc Committee adopted the following agenda (A/AC.262/L.1):

1. Opening of the session.
2. Election of officers.
3. Adoption of the agenda.
4. Organization of work.
5. Consolidation of areas of agreement and resolution of outstanding issues with a view to elaborating a generally acceptable instrument based on the draft articles on jurisdictional immunities of States and their property adopted by the International Law Commission at its forty-third session, and also on the discussions of the open-ended working group of the Sixth Committee and their results.
6. Adoption of the report.

7. The Ad Hoc Committee had before it the comments submitted by States in accordance with General Assembly resolution 49/61 of 9 December 1994 and on the reports of the open-ended working group of the Sixth Committee established under Assembly resolutions 53/98 of 8 December 1998 and 54/101 of 9 December 1999, as contained in the reports of the Secretary-General.[1] The Committee also had before it the 1999 and 2000 reports of the Chairman of the working group of the Sixth Committee;[2] the draft articles on jurisdictional immunities of States and their property adopted by the International Law Commission at its forty-third session in 1991;[3] and the comments and suggestions made by the Commission at its fifty-fourth session in 1999,[4] in accordance with Assembly resolution 53/98.

# Chapter II
## Proceedings

8. At its 2nd plenary meeting, also on 4 February, the Ad Hoc Committee decided to proceed with its work in a Working Group of the Whole, and adopted its organization of work.

9. The Working Group first held a general exchange of views. It then proceeded in two stages. In the first stage, it discussed the five outstanding substantive issues previously identified by the working group of the Sixth Committee, namely: (a) concept of a State for purposes of immunity; (b) criteria for determining the commercial character of a contract or transaction; (c) concept of a State enterprise or other entity in relation to commercial transactions; (d) contracts of employment; and (e) measures of constraint against State property. In the second stage, it discussed the

remainder of the 1991 draft articles on jurisdictional immunities of States and their property with a view to identifying and resolving any further issues arising from the text.

10. The Working Group held a first exchange of views in relation to both stages, and then a second reading of the entire draft text. This was the first time that the draft articles had been considered in their entirety in the context of the General Assembly since their adoption by the International Law Commission in 1991, accordingly taking into account any developments in State practice since then.

11. The Working Group made substantial progress with regard to the five substantive issues and reduced the number of those outstanding issues. As regards the remaining issues, the Working Group was able to narrow the divergencies in views. During the discussions, clear trends in views emerged on some of the draft articles; however, agreement could not be reached on all the outstanding issues. Accordingly, the Working Group decided to reflect in the revised text of the draft articles the remaining divergencies in views on certain draft articles either as alternative proposals or as bracketed text. The latter indicates disagreement on the deletion or retention of the text.

12. At its 4th plenary meeting, on 13 February, the Ad Hoc Committee adopted its report containing the revised text of the draft articles on jurisdictional immunities of States and their property, as contained in the annex to the present report.

13. The Ad Hoc Committee emphasized the importance of elaborating in a timely manner a generally acceptable instrument based on the draft articles on jurisdictional immunities of States and their property adopted by the International Law Commission at its forty-third session,[3] and also on the discussions of the open-ended working group of the Sixth Committee and their results.[5] For this reason and in the light of the trends which emerged in the discussions, the Committee urged States to make every effort to resolve the remaining outstanding issues in the interest of arriving at an agreement. For this purpose and in the interest of continuing these deliberations, the Committee also decided to recommend to the Sixth Committee that it should provide the appropriate opportunity to resolve the outstanding issues at the fifty-seventh session of the General Assembly, including the possibility of convening an open-ended working group.

*Notes*

[1] A/52/294, A/53/274 and Add.1, A/54/266, A/55/298 and A/56/292 and Add.1 and 2.

[2] A/C.6/54/L.12 and A/C.6/55/L.12.

[3] *Yearbook of the International Law Commission, 1991*, vol. II, Part Two (United Nations publication, Sales No. E.93.V.9 (Part 2)), document A/46/10, chap. II, para. 28.

[4] *Official Records of the General Assembly, Fifty-fourth Session, Supplement No. 10* and corrigenda (A/54/10 and Corr.1 and 2), annex.

[5] See A/C.6/54/L.12 and A/C.6/55/L.12; see also *Official Records of the General Assembly, Fifty-fourth Session, Sixth Committee, 30th meeting* (A/C.6/54/SR.30), and corrigendum; and ibid., *Fifty-fifth Session, Sixth Committee, 30th meeting* (A/C.6/55/SR.30), and corrigendum.

# Annex

## Draft articles on jurisdictional immunities of States and their property[1]

### Part I
### Introduction

#### Article 1
#### Scope of the present articles

The present articles apply to the immunity of a State and its property from the jurisdiction of the courts of another State.

#### Article 2
#### Use of terms

1. For the purpose of the present articles:

(a) "court" means any organ of a State, however named, entitled to exercise judicial functions;

(b) "State" means:

(i) The State and its various organs of government;

(ii) Constituent units of a federal State or political subdivisions of the State, which are entitled to perform acts in the exercise of the sovereign authority, and are acting in that capacity;

(iii) Agencies or instrumentalities of the State or other entities, to the extent that they are entitled to perform and are actually performing acts in the exercise of sovereign authority of the State;

(iv) Representatives of the State acting in that capacity;

(c) "commercial transaction" means:

(i) Any commercial contract or transaction for the sale of goods or supply of services;

(ii) Any contract for a loan or other transaction of a financial nature, including any obligation of guarantee or of indemnity in respect of any such loan or transaction;

(iii) Any other contract or transaction of a commercial, industrial, trading or professional nature, but not including a contract of employment of persons.

*Alternative A for paragraph 2*

2. In determining whether a contract or transaction is a "commercial transaction" under paragraph 1 (c), reference should be made primarily to the nature of the contract or transaction, but its purpose should also be taken into account if, in the practice of the State which is a party to it, that purpose is relevant to determining the non-commercial character of the contract or transaction.

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[1] Cross-referencing to be adjusted at a later stage.

*Alternative B for paragraph 2*

*Delete paragraph 2.*[2]

3. The provisions of paragraphs 1 and 2 regarding the use of terms in the present articles are without prejudice to the use of those terms or to the meanings which may be given to them in other international instruments or in the internal law of any State.

**Article 3**
**Privileges and immunities not affected by the present articles**

1. The present articles are without prejudice to the privileges and immunities enjoyed by a State under international law in relation to the exercise of the functions of:

(a) Its diplomatic missions, consular posts, special missions, missions to international organizations or delegations to organs of international organizations or to international conferences; and

(b) Persons connected with them.

2. The present articles are without prejudice to privileges and immunities accorded under international law to heads of State *ratione personae*.

3. The present articles are without prejudice to the immunities enjoyed by a State under international law with respect to aircraft or space objects owned or operated by a State.

**Article 4**
**Non-retroactivity of the present articles**

Without prejudice to the application of any rules set forth in the present articles to which jurisdictional immunities of States and their property are subject under international law independently of the present articles, the articles shall not apply to any question of jurisdictional immunities of States or their property arising in a proceeding instituted against a State before a court of another State prior to the entry into force of the present articles for the States concerned.

## Part II
## General principles

**Article 5**
**State immunity**

A State enjoys immunity, in respect of itself and its property, from the jurisdiction of the courts of another State subject to the provisions of the present articles.

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[2] *Chairman's proposal for a possible compromise on article 2, paragraph 2*:

"In determining whether a contract or transaction is a "commercial transaction" under paragraph 1 (c), reference should be made primarily to the nature of the contract or transaction; its purpose, i.e., whether or not it relates to the carrying out of a public service mission, should also be taken into account if the parties to the contract or transaction have so agreed or, in the absence of such agreement, the *lex forum* so provides."

**Article 6**
**Modalities for giving effect to State immunity**

1. A State shall give effect to State immunity under article 5 by refraining from exercising jurisdiction in a proceeding before its courts against another State and to that end shall ensure that its courts determine on their own initiative that the immunity of that other State under article 5 is respected.

2. A proceeding before a court of a State shall be considered to have been instituted against another State if that other State:

(a) Is named as a party to that proceeding; or

(b) Is not named as a party to the proceeding but the proceeding in effect seeks to affect the property, rights, interests or activities of that other State.

**Article 7**
**Express consent to exercise of jurisdiction**

1. A State cannot invoke immunity from jurisdiction in a proceeding before a court of another State with regard to a matter or case if it has expressly consented to the exercise of jurisdiction by the court with regard to the matter or case:

(a) By international agreement;

(b) In a written contract; or

(c) By a declaration before the court or by a written communication in a specific proceeding.

2. Agreement by a State for the application of the law of another State shall not be interpreted as consent to the exercise of jurisdiction by the courts of that other State.

**Article 8**
**Effect of participation in a proceeding before a court**

1. A State cannot invoke immunity from jurisdiction in a proceeding before a court of another State if it has:

(a) Itself instituted the proceeding; or

(b) Intervened in the proceeding or taken any other step relating to the merits. However, if the State satisfies the court that it could not have acquired knowledge of facts on which a claim to immunity can be based until after it took such a step, it can claim immunity based on those facts, provided it does so at the earliest possible moment.

2. A State shall not be considered to have consented to the exercise of jurisdiction by a court of another State if it intervenes in a proceeding or takes any other step for the sole purpose of:

(a) Invoking immunity; or

(b) Asserting a right or interest in property at issue in the proceeding.

3. The appearance of a representative of a State before a court of another State as a witness shall not be interpreted as consent by the former State to the exercise of jurisdiction by the court.

4. Failure on the part of a State to enter an appearance in a proceeding before a court of another State shall not be interpreted as consent by the former State to the exercise of jurisdiction by the court.

**Article 9**
**Counter-claims**

1. A State instituting a proceeding before a court of another State cannot invoke immunity from the jurisdiction of the court in respect of any counter-claim arising out of the same legal relationship or facts as the principal claim.

2. A State intervening to present a claim in a proceeding before a court of another State cannot invoke immunity from the jurisdiction of the court in respect of any counter-claim arising out of the same legal relationship or facts as the claim presented by the State.

3. A State making a counter-claim in a proceeding instituted against it before a court of another State cannot invoke immunity from the jurisdiction of the court in respect of the principal claim.

## Part III
## Proceedings in which State immunity cannot be invoked

**Article 10**
**Commercial transactions**

1. If a State engages in a commercial transaction with a foreign natural or juridical person and, by virtue of the applicable rules of private international law, differences relating to the commercial transaction fall within the jurisdiction of a court of another State, the State cannot invoke immunity from that jurisdiction in a proceeding arising out of that commercial transaction.

2. Paragraph 1 does not apply:

(a) In the case of a commercial transaction between States; or

(b) If the parties to the commercial transaction have expressly agreed otherwise.

*Alternative A for paragraph 3*

3. The immunity from jurisdiction enjoyed by a State shall not be affected with regard to a proceeding which relates to a commercial transaction engaged in by a State enterprise or other entity established by the State which has an independent legal personality and is capable of:

(a) Suing or being sued; and

(b) Acquiring, owning or possessing and disposing of property, including property which the State has authorized it to operate or manage.

*Alternative B for paragraph 3*

*Delete paragraph 3.*

**Article 11**
**Contracts of employment**

1. Unless otherwise agreed between the States concerned, a State cannot invoke immunity from jurisdiction before a court of another State which is otherwise competent in a proceeding which relates to a contract of employment between the State and an individual for work performed or to be performed, in whole or in part, in the territory of that other State.

2. Paragraph 1 does not apply if:

(a) The employee has been recruited to perform particular functions in the exercise of governmental authority;

*Alternative A for paragraph 2 (a bis)*

(a bis) The employee is:

(i) A member of a mission, as defined in the Vienna Convention on Diplomatic Relations of 1961;

(ii) A member of a consular post, as defined by the Vienna Convention on Consular Relations of 1963;

(iii) A member of diplomatic staff of permanent missions to international organizations, of special missions, or is recruited to represent a State at international conferences; or

(iv) Any other person enjoying diplomatic immunity;

*Alternative B for paragraph 2 (a bis)*

(a bis) The employee is:

(i) A diplomatic agent, as defined in the Vienna Convention on Diplomatic Relations of 1961;

(ii) A consular officer, as defined by the Vienna Convention on Consular Relations of 1963;

(iii) A member of diplomatic staff of permanent missions to international organizations, of special missions, or is recruited to represent a State at international conferences; or

(iv) Any other person enjoying diplomatic immunity;

(b) The subject of the proceeding is the recruitment, renewal of employment or reinstatement of an individual;

(c) *Deleted.*

(d) The employee is a national of the employer State at the time when the proceeding is instituted, unless this person has the permanent residence in the forum State; or

(e) The employer State and the employee have otherwise agreed in writing, subject to any considerations of public policy conferring on the courts of the State of the forum exclusive jurisdiction by reason of the subject matter of the proceeding.

**Article 12**
**Personal injuries and damage to property**

Unless otherwise agreed between the States concerned, a State cannot invoke immunity from jurisdiction before a court of another State which is otherwise competent in a proceeding which relates to pecuniary compensation for death or injury to the person, or damage to or loss of tangible property, caused by an act or omission which is alleged to be attributable to the State, if the act or omission occurred in whole or in part in the territory of that other State and if the author of the act or omission was present in that territory at the time of the act or omission.

**Article 13**
**Ownership, possession and use of property**

Unless otherwise agreed between the States concerned, a State cannot invoke immunity from jurisdiction before a court of another State which is otherwise competent in a proceeding which relates [to the determination of]:

(a) Any right or interest of the State in, or its possession or use of, or any obligation of the State arising out of its interest in, or its possession or use of, immovable property situated in the State of the forum;

(b) Any right or interest of the State in movable or immovable property arising by way of succession, gift or *bona vacantia*; or

(c) Any right or interest of the State in the administration of property, such as trust property, the estate of a bankrupt or the property of a company in the event of its winding-up.

**Article 14**
**Intellectual and industrial property**

Unless otherwise agreed between the States concerned, a State cannot invoke immunity from jurisdiction before a court of another State which is otherwise competent in a proceeding which relates to:

(a) [The determination of] any right of the State in a patent, industrial design, trade name or business name, trademark, copyright or any other form of intellectual or industrial property which enjoys a measure of legal protection, even if provisional, in the State of the forum; or

(b) An alleged infringement by the State, in the territory of the State of the forum, of a right of the nature mentioned in subparagraph (a) which belongs to a third person and is protected in the State of the forum.

**Article 15**
**Participation in companies or other collective bodies**

1. A State cannot invoke immunity from jurisdiction before a court of another State which is otherwise competent in a proceeding which relates to its participation in a company or other collective body, whether incorporated or unincorporated,

being a proceeding concerning the relationship between the State and the body or the other participants therein, provided that the body:

(a) Has participants other than States or international organizations; and

(b) Is incorporated or constituted under the law of the State of the forum or has its seat or principal place of business in that State.

2. A State can, however, invoke immunity from jurisdiction in such a proceeding if the States concerned have so agreed or if the parties to the dispute have so provided by an agreement in writing or if the instrument establishing or regulating the body in question contains provisions to that effect.

**Article 16**
**Ships owned or operated by a State**

1. Unless otherwise agreed between the States concerned, a State which owns or operates a ship cannot invoke immunity from jurisdiction before a court of another State which is otherwise competent in a proceeding which relates to the operation of that ship, if at the time the cause of action arose, the ship was used for other than government non-commercial purposes.

2. Paragraph 1 does not apply to warships, or naval auxiliaries, nor does it apply to other vessels owned or operated by a State and used, for the time being, only on government non-commercial service.

3. *Deleted.*

4. Unless otherwise agreed between the States concerned, a State cannot invoke immunity from jurisdiction before a court of another State which is otherwise competent in a proceeding which relates to the carriage of cargo on board a ship owned or operated by that State if, at the time the cause of action arose, the ship was used for other than government non-commercial purposes.

5. Paragraph 4 does not apply to any cargo carried on board the ships referred to in paragraph 2, nor does it apply to any cargo owned by a State and used or intended for use exclusively for government non-commercial purposes.

6. States may plead all measures of defence, prescription and limitation of liability which are available to private ships and cargoes and their owners.

7. If in a proceeding there arises a question relating to the government and non-commercial character of a ship owned or operated by a State or cargo owned by a State, a certificate signed by a diplomatic representative or other competent authority of that State and communicated to the court shall serve as evidence of the character of that ship or cargo.[3]

[3] It was noted that there was a lacuna relating to the application of the draft articles to aircraft and space objects. Considering that a number of international instruments were relevant to the question of aircraft and that a special regime applied to space objects, it was viewed that such issues required substantial attention and appropriate consultations. Consequently, the Ad Hoc Committee considered it appropriate to bring this matter to the attention of the General Assembly.

**Article 17**
**Effect of an arbitration agreement**

If a State enters into an agreement in writing with a foreign natural or juridical person to submit to arbitration [differences relating to a commercial transaction], that State cannot invoke immunity from jurisdiction before a court of another State which is otherwise competent in a proceeding which relates to:

(a) The validity, interpretation or application of the arbitration agreement;

(b) The arbitration procedure; or

(c) The confirmation or the setting aside of the award;

unless the arbitration agreement otherwise provides.

## Part IV
## State immunity from measures of constraint in connection with proceedings before a court

**Article XY**
**State immunity from pre-judgement measures of constraint**

No pre-judgement measures of constraint, such as attachment or arrest, against property of a State may be taken in connection with a proceeding before a court of another State unless and except to the extent that:

(a) The State has expressly consented to the taking of such measures as indicated:

(i) By international agreement;

(ii) By an arbitration agreement or in a written contract; or

(iii) By a declaration before the court or by a written communication after a dispute between the parties has arisen; or

(b) The State has allocated or earmarked property for the satisfaction of the claim which is the object of that proceeding.

**Article 18**
**State immunity from post-judgement measures of constraint**

No post-judgement measures of constraint, such as attachment, arrest or execution, against property of a State may be taken in connection with a proceeding before a court of another State unless and except to the extent that:

(a) The State has expressly consented to the taking of such measures as indicated:

(i) By international agreement;

(ii) By an arbitration agreement or in a written contract; or

(iii) By a declaration before the court or by a written communication after a dispute between the parties has arisen; or

(b) The State has allocated or earmarked property for the satisfaction of the claim that is the object of that proceeding; or

(c) It has been established that the property is specifically in use or intended for use by the State for other than government non-commercial purposes and is in the territory of the State of the forum [and has a connection with the claim that is the object of the proceeding or with the agency or instrumentality against which the proceeding was directed].

**Article 18 bis**
**Effect of consent to jurisdiction to measures of constraint**

Where consent to the measures of constraint is required under articles XY and 18, consent to the exercise of jurisdiction under article 7 shall not imply consent to the taking of measures of constraint.

**Article 19**
**Specific categories of property**

1. The following categories, in particular, of property of a State shall not be considered as property specifically in use or intended for use by the State for other than government non-commercial purposes under article 18, paragraph 1 (c):

(a) Property, including any bank account, which is used or intended for use in the performance of the functions of the diplomatic mission of the State or its consular posts, special missions, missions to international organizations, or delegations to organs of international organizations or to international conferences;

(b) Property of a military character or used or intended for use in the performance of military functions;

(c) Property of the central bank or other monetary authority of the State;

(d) Property forming part of the cultural heritage of the State or part of its archives and not placed or intended to be placed on sale;

(e) Property forming part of an exhibition of objects of scientific, cultural or historical interest and not placed or intended to be placed on sale.

2. Paragraph 1 is without prejudice to article XY and article 18, paragraph 1 (a) and (b).

## Part V
## Miscellaneous provisions

**Article 20**
**Service of process**

1. Service of process by writ or other document instituting a proceeding against a State shall be effected:

(a) In accordance with any applicable international convention binding on the State of the forum and the State concerned; or

(a bis) In accordance with any special arrangement for service between the claimant and the State concerned, if not precluded by the law of the State of the forum; or

(b) In the absence of such a convention or special arrangement:

(i) By transmission through diplomatic channels to the Ministry of Foreign Affairs of the State concerned; or

(ii) By any other means accepted by the State concerned, if not precluded by the law of the State of the forum.

2. Service of process referred to in paragraph 1 (b) (i) is deemed to have been effected by receipt of the documents by the Ministry of Foreign Affairs.

3. These documents shall be accompanied, if necessary, by a translation into the official language, or one of the official languages, of the State concerned.

4. Any State that enters an appearance on the merits in a proceeding instituted against it may not thereafter assert that service of process did not comply with the provisions of paragraphs 1 and 3.

**Article 21**
**Default judgement**

1. A default judgement shall not be rendered against a State unless the court has found that:

(a) The requirements laid down in article 20, paragraphs 1 and 3, have been complied with;

(b) A period of not less than four months has expired from the date on which the service of the writ or other documents instituting a proceeding has been effected or deemed to have been effected in accordance with article 20, paragraphs 1 and 2; and

(c) The present articles do not preclude it from exercising jurisdiction.

2. A copy of any default judgement rendered against a State, accompanied if necessary by a translation into the official language or one of the official languages of the State concerned, shall be transmitted to it through one of the means specified in article 20, paragraph 1, and in accordance with the provisions of that paragraph.

3. The time limit for applying to have a default judgement set aside shall not be less than four months and shall begin to run from the date on which the copy of the judgement is received or is deemed to have been received by the State concerned.

**Article 22**
**Privileges and immunities during court proceedings**

1. Any failure or refusal by a State to comply with an order of a court of another State enjoining it to perform or refrain from performing a specific act or to produce any document or disclose any other information for the purposes of a proceeding shall entail no consequences other than those which may result from such conduct in relation to the merits of the case. In particular, no fine or penalty shall be imposed on the State by reason of such failure or refusal.

2. A State shall not be required to provide any security, bond or deposit, however described, to guarantee the payment of judicial costs or expenses in any proceeding to which it is a respondent party before a court of another State.

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